

REPORT OF THE CHIEF LEGISLATIVE ANALYST

August 13, 1998

TO: Honorable Members, *mayor and*
Community and Economic Development Committee

FROM: Ronald F. Deaton
Chief Legislative Analyst

PROPOSED POSITIONS FOR THE BUSINESS IMPROVEMENT DISTRICT PROGRAM

SUMMARY

As requested by the Chair, we have reviewed the City Administrative Officer (CAO) report (July 29, 1998) relative to two (2) new proposed positions to administer the Business Improvement District (BID) program. The Mayor's Office requests approval to hire a BID Director and an Administrative Assistant. According to the CAO's report, the Mayor's Office proposes the creation of these positions within its Economic Development Office to centralize the outreach, education and marketing of the BID program.

The BID Policy which was approved by Council in January of 1998, designated the Office of the City Clerk as the BID Coordinator. The City Clerk is currently providing the same services and functions that would be provided by the proposed positions (overlap). Therefore, we recommend that the City Clerk's current responsibilities be reviewed before new positions are created.

Further, the City Council also approved January a recommendation to "re-evaluate and analyze BIDs as part of the City's overall economic development strategies and include this topic in their discussion of Economic Development Consolidation." In that your Committee is currently considering various options relative to consolidation of the City's economic development activities, we recommend that the Mayor's Business Improvement District positions be reviewed relative to these discussions.

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RECOMMENDATIONS:

That the City Council:

1. Instruct the CAO and the CLA to review the City Clerk's current workload responsibilities and positions relative to the proposed new positions and report to CED with recommendations.
2. Instruct the CLA to re-evaluate and analyze BIDs as part of the City's overall economic development strategies and include this topic in the current discussion of Economic Development Consolidation.


Ivania Sohalvarro
Analyst

Attachments: 1. Background
 2. City Clerk- BID Service Operation Summary
 3. BID Roster

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BACKGROUND

ADMINISTRATION

BIDs that have been established or are in the process of being established were created primarily through the Council Offices working with the business community.

Presently, the City Clerk, and the Community Development Department have been assisting Council Offices in coordinating BIDs in their districts. The City Attorney is also involved in reviewing and approving the contracts. Assistance has included allocation and identification of funds, assistance with Request for Proposals (RFP's) for consultants, preparing contracts, attending meetings with the business community and conducting follow-up.

As stated in the proposed policy, the City Clerk as Central Coordinator is responsible for: providing materials to interested BIDs, providing a list of consultants, interviewing consultants, distributing examples of management plans, budgets, and assessment formulas, review of proposed work and providing feedback to the prospective BID, before "final" package goes before Council.

The City Clerk administers all General Fund supported BIDs to the extent provided for by (LAMC) Ordinance No. 171094 "Business Improvement District Trust Fund". While this department administers all pre- and post-BID responsibilities for General Fund supported BIDs, their assistance is not limited to those BIDs. Once created by ordinance all BIDs are administered by the City Clerk.

As instructed by Council, in that pre-BID formation is an economic development marketing tool, the Mayor's Office (Los Angeles Business Team) the Community Development Department, and the Community Redevelopment Agency should continue to market and disseminate information within the business community regarding the BID program. The City Clerk is available to explain the technical, legal and administrative issues, as the BIDs progress through the development process.

In that BIDs are to an extent an economic development tool, we

recommend that the BID program be revisited within the Economic Development Consolidation discussions. The BIDs role as part of the City's overall Economic Development strategies should be analyzed.

STAFF/BUDGET

In light of the increased number of proposed BIDs and the amount of work associated with pre- and post- BID formation, additional staff and equipment may be necessary for the City Clerk. The City Council approved additional staff (one accounting clerk) within the 1997-98 City Budget to assist the City Clerk. No additional staff was approved in the 1998-99 City Budget. More staff however, may be needed within the City Clerk's Office as the BIDs are finalized.

BID FUNDING

The City Council did not approve additional funds in the 1998-99 City Budget for the Business Improvement District Trust Fund. Council however, did approve \$500,000 as part of the 1998-99 Housing and Community Development Block Grant (HCDBG) Consolidated Plan for BID's located in eligible HUD census tracts.